

BRITAIN, HOPEFUL, WANTS MOSCOW TREATY

of granting us something only imposes obligations upon us.

"Next week we might have had placed before us this agreement reached privately, and been asked to accept it; and should we have refused, no doubt we should be told we were disturbing the conference. The reason we did not sign the Russian treaty before we came to Genoa was that I wished to attend the conference with free hands."

"We were invited to come to the conference as equals," he continued, "to deal in common with the problems affecting us in common. Then came the Allies with negotiations in private. I had no opportunity to see Mr. Lloyd George, although I asked repeatedly to do so; so we had to content ourselves with keeping him informed through intermediaries. Long conversations were held with members of the British delegation and we reported fully that we were unable to agree to the London report and felt obliged to deal with the Russians independently. Friday night we heard semi-officially—or maybe officially, I cannot see the difference—that negotiations with the Russians were making great headway."

"This ought to be a real peace conference," Dr. Rathenau added, "and I fail to see why a real peace treaty should not be welcome, for I think this is the first real peace treaty made since the war. I fervently wish that all other countries would make peace in a similar spirit of reciprocity and mutual forgiveness."

German Interests Damaged.

Dr. Rathenau declared that the German interests which were being damaged in private conferences between the Allies and the Russians were several. The chief one was that "the Russians are being asked to claim reparation by Germany under Article 116 of the Versailles treaty." Prime Minister Constantine Skirunt of Poland denies this version and says that the only principle involved in the private discussions was Russia's recognition of her debts.

Those who are acquainted with the Wilhelmstrasse under the republic are inclined to believe the Germans not themselves into the present difficulty because they simply failed to appreciate what reparation their treaty would awaken. They had approved the British of the negotiations and had arrived at an arrangement with the Russians which they understood Mr. Lloyd George approved. It was only in the last moment that the Russians balked at making an informal arrangement and insisted upon a formal treaty.

The German Foreign Office has been timid and querulous for the last two years, and rarely has it taken any step without asking the advice of the British Government. It seems fairly obvious that they thought they were observing the same self-discipline this time.

A distinction can be made between the official and unofficial British point of view upon this episode. Officially the British are outraged; but unofficially they admit that the treaty is innocent.

It is frequently asserted among the British that the strong protest had been made on their part to assist France to a moral victory in the incident; but also it is believed that France is the one country which would lose most materially by the treaty.

Only French China Broken.

"The majority of Englishmen would approve the treaty itself and probably would be glad to have England make a similar one with Russia," said a prominent Englishman to-day. "The only China broken is the French position."

The effect of the Russo-German treaty upon the conversations at Prime Minister Lloyd George's villa is uncertain. It may end them altogether. The allied delegates are disappointed with Russia's obstructive attitude, in view of the Allies' clear offer of recognition of the fundamental point of recognition of prewar debts, and in consideration of the exaggeration of Russian figures and the doctrine of imprecision in Russian documents and arguments.

For example, the figure of 35,000,000,000 rubles as compensation due Russia for intervention is regarded as absurd, because the war in Siberia and Russia was ludicrous from a military point of view, consisting mostly of movements of bodies of partly armed men trying to frighten each other. Frequently there were no fatalities in the "battles" fought.

Genoa, April 18 (Associated Press).—The representatives of the powers which convened the Genoa conference, together with the Little Entente, decided to-night after an all-day discussion, to continue the economic conference regardless of the attitude of Germany and Russia.

The discussions at the meetings were calm and dignified, although considerable difference of opinion existed. Two groups were formed, one led by England and the other by France, while the Italian delegates displayed a conciliatory attitude. Some of the extremists among the Allies are breaking up the conference, but a majority favored awaiting Moscow's reply to the allied demands.

According to information from French sources, Mr. Lloyd George emphasized the necessity of adopting a severe attitude toward both Russia and Germany, but especially against Germany, pointing out that Germany had signed the Versailles treaty, whereas Russia had not.

Signor Schanzer, the Italian Foreign Minister, favored an attitude of moderation in the interests of the conference. Mr. Lloyd George replied that it was no time to display weakness. He emphasized sending a note to Germany and Russia declaring they must modify their attitude if they expected to be permitted to discuss Russian affairs at Genoa.

At the evening session there was a discussion as to the advisability of issuing a statement that Germany either revise the treaty with Russia or be expelled from all commissions of the conference.

The idea voiced by the different Ministers present was that there was no objection to Germany making a convention with Russia, but there was strong objection to doing it at Genoa, where every one was supposed to be on the same footing.

Paris's Merry Genoa Gibe; Feel Rich for 25 Francs

Special Cable to THE NEW YORK HERALD, Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, Paris, April 18.

THE Genoa conference has inspired the latest Parisian novelty in the form of a wallet packed to overflowing with various European bank notes of various denominations. For 25 francs the purchaser may feel all the sensation of real wealth, for the wallet contains 1,000 German marks, 1,000 Polish crowns, 1,000 Austrian crowns and 100,000 assorted rubles, with a total pre-war value of \$55,000. The innovation is called the "Genoa pocketbook," and is eagerly bought by speculators.

ALLIES UNITEDLY BLAME GERMANS

Continued from First Page.

pay much attention to such formalities, so long as one had her representative, Karl Radek, in Berlin, and was doing business there.

"Some months ago M. Litvinoff said, 'negotiations were started, and a few weeks ago, when myself and Mr. Tchitcherine were passing through Berlin, we conversed with Chancellor Wirth, with the result that the treaty was drawn up—the same treaty that was signed on Easter Sunday at Rapallo. Dr. Rathenau did not arrive at the appointed place in Berlin to sign the instrument, and afterward there was no time to convene the Cabinet. As he was powerless to act alone, Dr. Rathenau proposed to sign the treaty at Genoa. The treaty is without political significance, and is not directed against the Allies. It means that one of the old States has resumed normal relations with us."

Similar Pacts in Battle.

"Really I do not see why there is all this excitement," he continued. "The way to Genoa we signed an agreement at Riga with the Baltic States and Poland, but nobody accused those States of doing that on the eve of the Genoa conference. Why blame Germany more than them? Germany was only helping by this peace to stabilize the peace of Europe and to adjust differences, making the task of the conference easier by helping achieve the stint which Mr. Lloyd George has put before himself at Genoa. True, Germany is a little ahead of others in giving up her monetary claims. Germany has shown the way to the richer countries. She said to herself, 'This haggling may hurt German interests. Let us clean the slate, then we shall see where we are.' Germany is in a bad state economically. Perhaps that is the reason she better understands Russia than do the richer countries."

"Many nations had made arrangements before the Genoa conference opened," declared M. Litvinoff. "Italy, France and Japan held preliminary negotiations here. A number of the neutral nations met at Bern. Why, therefore, this excitement about the Russo-German arrangement? Perhaps if Dr. Rathenau signed it in Berlin there would have been no outcry; but I do not see much substantial difference. The Russians made treaties with England and Afghanistan. Russia signed a treaty with Sweden on the eve of the conference; yet there was no objection."

"It would be a good thing," concluded the Soviet delegate, "if an annual conference like this could be held, that nations might settle their differences as far as Germany is concerned, we have obliterated the differences arising from the great war. That is something."

Dr. Edouard Benes, Premier of Czechoslovakia, is displeased with the treaty, which he thinks, menaces the existence of the conference, from which Czechoslovakia expected to derive great benefits. The Poles also are displeased.

The Italian delegates do not think the treaty will have an unfavorable influence upon the course of the conference; but nevertheless they took upon it as a false step on the part of German diplomacy.

RUSSO-GERMAN TREATY DOESN'T AFFECT U. S.

But Washington Keeps Sharp Eye on Genoa.

Special Dispatch to THE NEW YORK HERALD, Copyright, 1922, by THE NEW YORK HERALD. Washington, D. C., April 18.

American interests, according to information given out at the White House to-day, are not regarded as being affected by the Russo-German treaty of Rapallo, which has given such a shock to the diplomatic world.

It was intimated that, in the view of the American Government, the effect of the treaty is psychological rather than actual. The significant comment was made that "treaties do not create assets, and that while it may result in new paper marks, the economic situation remains unchanged."

In spite of this apparent indifference, there is no doubt the Government is watching developments at Genoa with keen interest.

The situation is regarded as yet as one wholly European in character, and any decisions reached will have to be of a European nature. The United States remains of the opinion that the real crux of the situation has not been changed by anything that has occurred at Genoa, and that while German-Russian treaties may increase the number of paper marks and encourage the operation of the European printing press, this activity does not change the economic vacuum that is in Russia.

The verdict that it did not interfere with the situation was based upon the reading of synopses.

Underneath the silence of Government officials it was apparent that the French position had been improved temporarily so far as her claim of menace from Germany and Russia is concerned.

DR. KAPP IN LEIPZIG FOR TRIAL

BERLIN, April 18.—Dr. Wolfgang Kapp, leader of the 1920 uprising in Berlin, has arrived at Leipzig, where he is being detained pending action by the Leipzig Supreme Court on his demand for trial.

FOUND ANYTHING?

If so, see if it is added in the Lost and Found columns of to-day's New York Herald.

LONDON PRESS SEES NO PERIL IN TREATY

'Gazette' Notes Benefit if It Brings France Down to Realities.

RUSSIA ONLY GAINER

Warning Sounded, However, That Allies Won't 'Clear Off Slate.'

'TIMES' RAPS PREMIER

Northcliffe Talks of Amateur Diplomacy and Alone Sees Disaster.

Special Cable to THE NEW YORK HERALD, Copyright, 1922, by THE NEW YORK HERALD. London, April 18.

From a division of opinion almost exactly along distinct political lines expressed yesterday morning the London press now is generally attempting to put the best face on the Russo-German denouement in Genoa. The Northcliffe papers are the exception, and these continue to blame Lloyd George's amateur diplomacy and predict a disaster. The Lloyd Georgeian turn yesterday morning, congratulating the strain of the *Evening Standard* and the *Evening Mail*, declaring there is little material of importance in the treaty and that all now depends on the answer the Russian delegates will give after consultation with the Moscow Government.

"The Germans pocket no obvious gains by signing, says the *Chronicle*. 'Such gains as there are go to the Russians whose new diplomacy has shown its cleverness at Berlin's expense. Germany might agree to clean the slate because she has nothing else to give, but the Allies won't because they are in a very different position—they hold in their hands the main possibilities for Russia's economic revival. Behind this fact the clever Soviet diplomatists cannot go. They will not get much help from the treaty with Germany, unless they also conclude treaties with the western Powers such as would bring up Western capital at the back of the German middleman.'"

Treaty Is Welcomed.

The *Westminster Gazette* with its *Daily News* and the *Evening Star*, its *West* and *Free* colleagues, welcomes the treaty as bringing the Genoa conference and particularly France down to realities. The *Westminster Gazette* says: "The fact is Germany and Russia are two of the leading Powers of Europe—yesterday and to-morrow if not to-day—and an attempt to treat them as outsiders is equally to-day a disfigurement of the world. This is intolerable. The Council, but it has brought 'allied' Europe to reason we have no need for regret."

The *Daily News* says: "The two grave arguments against the treaty are the manner in which it has been sprung on the conference and its apparent exclusiveness. The first may be merely stupidity born of rather crass cynicism. There are plenty of parallels in recent annals both of Berlin and Moscow. The second objection is much more serious. The fact is Germany and Russia are two of the leading Powers of Europe—yesterday and to-morrow if not to-day—and an attempt to treat them as outsiders is equally to-day a disfigurement of the world. This is intolerable. The Council, but it has brought 'allied' Europe to reason we have no need for regret."

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FRANCE IS NOT BREAK FROM GENOA PARLEY

Continued from First Page.

Germany herself acknowledged the right of the commission to use Germany's resources in Russia for reparations payments, or, in other words, transferred her claim for Russian indemnification to the commission, and therefore signed away her power to annul them by the new treaty with the Russians.

Violation of Versailles Treaty.

PARIS, April 18 (Associated Press).—The Poincare Cabinet to-day considered the attitude to be taken by France in case Russia and Germany purpose to maintain a separate arrangement regarding the restoration of Russia. While a number of the members of the Cabinet are absent from Paris, those present were unanimous in regarding the pact signed at Rapallo as a violation of the treaty of Versailles, as well as the conditions laid down at Cannes as a basis for the Genoa conference.

It is pointed out in official circles in support of the claim that the Rapallo treaty is a violation of the treaty of Versailles that the Reparations Commission right now is conducting negotiations with Germany regarding the method of determining what property of German nationals exists in Russia. This property under the Versailles treaty belongs to the commission for application on the reparations account.

Condemnation of the Russo-German treaty by the Paris afternoon newspapers ranges from charges of bad manners to accusations of treason. Most of them voice the official view that the pact violates the treaty of Versailles, and demand its annulment, while the Communist organ the *Internationale* asks what the row is about continuing the treaty. The *Internationale* asks what the row is about continuing the treaty. The *Internationale* asks what the row is about continuing the treaty.

The *Journal des Debats* feels that the Germans and Russians have formed one of those groups which Mr. Lloyd George was trying to prevent, but "it is vain to try to make the whole world keep house together."

Jacques Bainville, writing in *La Liberté*, says: "We went to Genoa to be protected by the Entente. If France does not insist, there is no longer any reason for the conference, and that 'within forty-eight hours the Russo-German accord will pass as a faithful translation of Lloyd George's program and as a preliminary of the United States of Europe.'"

The *Internationale* says: "The French people feel only heart sickness and contempt for the faith and dishonesty of their adversaries. It was well known that Germany and the Soviets were as thick as thieves at a fair. The comedy already has lasted too long."

There is a perceptible feeling almost of satisfaction among the newspapers supporting the national bloc at what they consider a distinct hit against Prime Minister Lloyd George of Great Britain, and at the same time the 'clumsy blunder of German psychology,' which, as M. Saint-Brice puts it in the *Journal*, will perhaps 'pull us out of Genoa' was not.

"Mr. Lloyd George never thought when he admitted the Berlin and Moscow people on an equal footing," the *Journal* editor continues, "that they might interfere with his maneuvers."

STEED ASSERTS ALLIES SEEK TO AVOID RUPTURE

Editor Says They Are Afraid of Bolsheviki.

GENOA, April 18.—Henry Wickham Steed, editor of the *London Times*, commenting on the situation here in a dispatch to his paper, says he has reason to believe that the Germans were led into precipitate signing of the treaty by information that the conversations between the Allies and the Bolshevik delegates at the Villa de Albertis were proceeding so favorably the conclusion of an agreement might be expected at any moment.

"The Germans feared, or affected to fear," he adds, "that this agreement might be attained at their expense. They therefore resorted to the expedient of first and confront the Allies with an accomplished fact."

Even in quarters where the treaty is regarded as a fatal blow to the conference, says Mr. Steed, the disposition exists to avoid a spectacular rupture, adding: "It seems to be thought better the conference should risk death by creeping paralysis than by apoplexy."

The Poles, according to Mr. Steed, are preparing a separate note to protest against the Russo-German treaty. The Bolsheviks, he declares, have the whip hand, and their retention in all the commissions of the conference "can only be interpreted as further proof the Allies are afraid of them."

NEW REVOLT IN RUSSIA PLANNED BY HAPSBURO

Archduke Wants to Be King of the Ukraine.

Special Cable to THE NEW YORK HERALD, Copyright, 1922, by THE NEW YORK HERALD. VIENNA, April 18.—According to a wire from Lemberg, former Archduke Wilhelm Hapsburg, who has become a citizen of the Ukrainian Soviet Republic under the name of Wasly Wasychynsky, is planning a new monarchist movement in the Ukraine with the moral and financial backing of the Rumanian Government. The latter already has organized Wasly as the pretender, and is said to have placed 20,000,000 lei at his disposal.

Gen. Simon Petliura, anti-Bolshevik leader and formerly head of the Ukraine, is residing in Tarnow and is prepared to recognize Wasly as king and fight under his command for the liberation of southern central Russia.

The same report, which is causing no little concern in official circles, declares that Wasly already is organizing an army of volunteers in Bessarabia, composed largely of refugees from Sovietized Galicia and Ukraine.

DANGER TO EUROPE GREATER THAN IN 1914

Maurice Casanave Says West Must Take Strong Action.

PARIS, April 18 (Associated Press).—Maurice Casanave, former French High Commissioner in the United States, commenting to-day upon the Russo-German treaty, said:

"The danger to Western Europe is as great now as it was before the war. It is even greater, because the two Eastern Powers are now together. The situation is as formidable as it was before the signing of the treaty of Brest-Litovsk."

"The Western Allied Governments are in the presence of a situation of utmost significance, and one which requires strong action. They must take some positive action. We now see how important the occupation of the left bank of the Rhine is, because the left bank of the Rhine is the barrier between Eastern and Western Europe."

"Here is Germany," he said, "recognizing Bolshevism and joining with it. This has a meaning for America as great, in my mind, as the war had. The American Government and American public opinion ought to see the significance of these events, but if they do not now they will be disastrously shocked by the consequences."

SAYS BRITISH WERE TOLD OF TREATY

Pact With Russia No Secret, Declares Baron von Maltzahn.

WAS OFTEN MENTIONED

Germans Complain of Their Exclusion From Lloyd George's Villa.

SEEK SELF-PROTECTION

See Rights in Russia Impaired if Allies Had Acted First.

GENOA, April 18 (Associated Press).—M. Tchitcherine, head of the Russian delegation, called on Chancellor Wirth and Dr. Walter Rathenau of the German delegation at their hotel to-day while the big and little entente Powers were meeting to decide what they would do about the Russo-German treaty; and had a long conference with the Germans, who displayed no uneasiness about the possibility of dire consequences if the treaty is not abrogated by its signatories.

There is evidence that the German-Russian rapprochement is progressing smoothly, at least between themselves, and according to the Germans the signing of the treaty did not come as such a great surprise to the British as some at first believed.

Baron von Maltzahn, who is in charge of Russian affairs in the German Foreign Office, informed the Associated Press to-day that the Germans had frequently mentioned to the British the conversations the Germans were having with the Russians, and had made it clear that the Germans felt they were being done a great injustice by the Allies, who failed to let them into the conferences at Mr. Lloyd George's villa, where Russian affairs were being adjusted without consideration of German interests.

Furthermore, Baron von Maltzahn said he had informed Sir Cecil Blackett, of the British delegation, on Sunday night that the treaty had been signed that day. It would, therefore, seem unlikely that Mr. Lloyd George was undivided, although it is doubtful whether he had not seen a copy of the treaty before the meeting held last evening to discuss what the Allies would do about it.

The Germans contend that they would have been responsible for reparations and their property and commercial rights in Russia would not have been protected if the Entente Powers had reached agreement on Russian questions without consulting Germany. Consequently, the Germans took the bull by the horns and effected a treaty which puts them in the position of a favored nation and insures that their rights in Russia will be equal to those of the Entente.

LOYD GEORGE CALLS GERMAN ACT PERFDY

Holds No Grievance Against Unrecognized Russia.

LONDON, April 18.—Premier Lloyd George, addressing the allied delegates to-day, is quoted by the *Reuter* correspondent at Genoa as saying that the grievance of the Allies against Russia had been against Germany.

Russia was not a recognized Power, and was almost in the position of an unrecognized Power. It was to be detached any recognized Powers from the rest to suit her own purposes. Germany, on the other hand, had committed an act of great indiscretion.

The *Reuter* correspondent of the *Daily Herald* (labor organ) says he is positively assured that the British delegate, Sir Cecil Blackett, was informed of the signature of the Russo-German treaty by Dr. Rathenau Sunday evening. Moreover, he declares, a German delegation holds the British receipt for the text of the treaty, timed 7 o'clock Monday morning.

Regarding events leading up to the signing of the treaty the correspondent says that on Friday evening Signor Giannini, Italian financial expert, called on Chancellor Wirth and told "on that the Allies had practically reached an agreement on Russia and that the Allies wished assurances of Germany's willingness to agree to the treaty."

" Astonished and not a little incensed at this unofficial and scurry manner of communicating important statements to the German delegation," concludes the correspondent, "Chancellor Wirth took Giannini to Dr. Rathenau, before whom Giannini repeated the communication. Thereupon the German delegates hurriedly met, and on Saturday Dr. Rathenau went to M. Tchitcherine and proposed that the treaty, already drafted in Berlin, should be signed immediately."

The Genoa correspondent of the *London Times* says it is reported that the neutral Powers, headed by Denmark, will formally protest against the decision reached by the Powers to-day to exclude Germany from the discussion of the political commission without consulting the whole conference.

RISE IN MARK AND RUBLE ON SOVIET PACT

German Papers Say No Treaty Is Violated.

BERLIN, April 18.—Special dispatches from Genoa cite German Government officials as authority for the statement that the English leaders at Genoa were fully informed of the Russo-German treaty.

Russian consuls and other securities responded to the news of the treaty with an upward movement in the Bourse, discounting the rumors of threatened disruption of the conference. The mark closed higher than the improved quotations reported from New York.

No violation of the Versailles treaty is implied in the Russo-German treaty in the opinion of the Berlin newspapers, among them the *Kreuz Zeitung*, which declares that Germany is an independent State which is not prevented by any provision of the treaty from entering into treaties with other Powers, especially a pact like that now concluded, which is no violation of the notorious Article 116."

The *Bourse Gazette* believes that an attempt to forestall the treaty through the application of Article 116 has been definitely defeated. It looks upon this as one of the chief accomplishments of the Russo-German treaty, which, it asserts, is primarily a Russo-German affair, and is no violation of the treaty referred to in it.

The ultraconservative *Tagesliche Rundschau* hails the treaty as a belated acknowledgment in German foreign policy. It professes to see in the improvement in the mark in Wall Street American approval of Germany.


Vernacore suggests that the same result might have been achieved a bit later without complicating the foreign situation.

The *Frankfurter Gazette* declares that the treaty signifies progress in the task of rehabilitating Europe and might even prove to be a cornerstone, although it too suggests that tactically it would have been better if the treaty had been concluded before the conference was called to order.

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A New GOTHDALE Low Shoe for Men

fitted with shock absorbers in the shape of a cushion sole that gives spring and support to the step.

Anatomically accurate Economically attractive

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